

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

93-22

October 18, 1994

IN REPLY REFER TO:

EX PARTE OR LATE FILED

RECEIVED

OCT 18 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

The Honorable Bill Bradley
U.S. Senator
Attention: Gloria Robertson
1 Greentree Centre
Suite 303
Marlton, NJ 08053

DOCKET FILE COPY ORIGINAL

Dear Senator Bradley:

This letter responds to your correspondence on behalf of Kimberly R. Friend regarding charges on her telephone bill and relating to information services provided on 800 numbers. Your letter, as well as the complaint of your constituent, has been referred to the Enforcement Division of the Common Carrier Bureau for review. The Enforcement Division will communicate with your constituent upon completion of its review.

The Telephone Disclosure and Dispute Resolution Act (TDDRA) was enacted by Congress in 1992 and required both the Federal Communications Commission and the Federal Trade Commission (FTC) to adopt rules governing the provision of pay-per-call services. Under the TDDRA, the FCC has jurisdiction over the telecommunications carriers involved in the transmission and billing of the telephone calls, while the Federal Trade Commission has jurisdiction over the information service companies themselves.

The TDDRA generally required pay-per-call services to be provided on 900 telephone numbers and generally prohibited the provision of these services on 800 numbers, except in instances where the caller has entered into a presubscription agreement or comparable arrangement with the information service provider. Pursuant to the Commission's rules, which became effective on September 24, 1993, a presubscription agreement entails a formal contractual understanding whereby the consumer is provided clearly and conspicuously all terms and conditions associated with the use of the service and affirmatively agrees to abide by them.

The Commission has received numerous complaints similar to those described by your constituent. These complaints are processed by the Enforcement Division of the Common Carrier Bureau by serving a copy of the complaint upon the telecommunication carriers involved, who must generally respond in writing within 30 days. Beyond reviewing these

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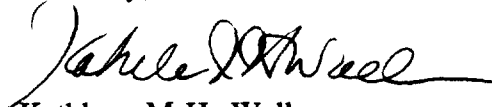
The Honorable Bill Bradley
Page 2

complaints and pursuing appropriate action to resolve them, the Commission has undertaken several efforts. First, Common Carrier Bureau staff has met with the carriers that provide the billing service for calls to 800 numbers as well as interexchange carriers who provide the 800 number transport to emphasize their obligations under the TDDRA and the rules of the Commission. Secondly, because the increase in the number of complaints has been so significant, we have started an investigation of these practices, with special focus on whether any companies have attempted to evade or violate our rules. Additionally, as part of the effort to make clear the carriers' responsibilities under the law, the Common Carrier Bureau has recently issued a ruling holding that the information provider's receipt of the originating telephone number, a practice that was serving as the premise of some charges, does not in itself constitute a presubscription agreement.

Moreover, on August 2, 1994, the Commission instituted a Notice of Proposed Rulemaking seeking to strengthen Commission rules to prevent abusive and unlawful practices under the TDDRA. Specifically, the Commission has sought public comment on a proposal to require that a presubscription agreement be established only with a legally competent individual and executed in writing, and that common carriers obtain evidence of the written agreement before issuing a telephone bill that contains charges for presubscribed information services. Under the proposed rules, these telephone bills could be addressed only to the individual who actually entered into the presubscription arrangement, not to the person or company whose telephone was used to place the call. The Commission has tentatively concluded that this and other proposed changes would significantly assist in eliminating the source of many consumer complaints. Enclosed is a summary of the Commission's action in this regard.

We appreciate receiving your correspondence. Please call upon us if we can provide any additional information.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kathleen M.H. Wallman", with a stylized, flowing script.

Kathleen M.H. Wallman
Chief
Common Carrier Bureau

Enclosure

BILL BRADLEY
NEW JERSEY

COMMITTEES
FINANCE
ENERGY AND
NATURAL RESOURCES
SPECIAL COMMITTEE ON
AGING

United States Senate

WASHINGTON, DC 20510-3001

July 26, 1994

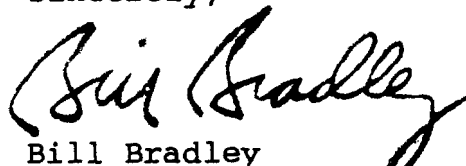
TO: Mr. Donald S. Clark
Secretary, Office of Congressional Relations
Federal Trade Commission
Sixth and Pennsylvania Avenue, Nw
Washington, D.C. 20580

RE: Kimberly R. Friend

I forward the attached for your consideration. I would appreciate receiving a written reply with regard to this matter as soon as possible. Please direct your response to the attention of the member of my staff listed below.

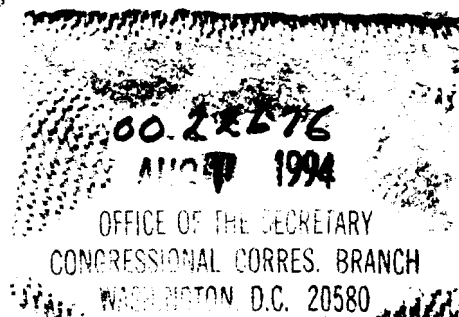
Thank you very much for your time and assistance in this matter.

Sincerely,


Bill Bradley
United States Senator

PLEASE DIRECT REPLY TO:

Senator Bill Bradley
1 Greentree Centre
Suite 303
Marlton, New Jersey 08053
Attention: Gloria Robertson



ZERO PLUS DIALING

Page 20 of 23
609 298-4660-866 0

June 17, 1994

No.	Date	Time	Call type	Place	Number	Minutes	Cost	T
1	May 24	8:01PM	Operator	To WESTWOOD NJ	201-666-8807			
			Fr	GAINESV FL	904-374-9570	3	9.75	A
2	May 24	8:03PM	Operator	To BORDENTOWN NJ	609-298-4660			
			Fr	GAINESV FL	904-374-9570	3	9.75	A
3	May 25	7:55PM	Operator	To E GALLIE E FL	407-779-1426			
			Fr	GAINESV FL	904-374-9570	1	1.26	B
					FL State Tax		.21	
4	May 26	5:11PM	Operator	To E GALLIE E FL	407-779-1426			
			Fr	GAINESV FL	904-374-9570	1	1.26	B
					FL State Tax		.21	
5	May 26	9:34PM	Operator	To MELBOURNE FL	407-723-6633			
			Fr	GAINESV FL	904-374-9570	10	2.79	B
					FL State Tax		.47	
6	May 26	9:55PM	Operator	To E GALLIE E FL	407-779-1426			
			Fr	GAINESV FL	904-374-9570	1	1.26	B
					FL State Tax		.21	

Continued

ZERO PLUS DIALING

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609 298-4660-866 0

June 17, 1994

No.	Date	Time	Call type	Place	Number	Minutes	Cost	T
1	May 26	10:15PM	Operator	To QUINCY MA	617-328-6268			
			Fr	GAINESV FL	904-374-9570	3	9.84	B
2	Jun 5	9:55PM	Operator	To BORDENTOWN NJ	609-298-4660			
			Fr	GAINESV FL	904-374-9570	3	9.75	A
3	Jun 7	7:20PM	Operator	To BORDENTOWN NJ	609-298-4660			
			Fr	GAINESV FL	904-374-9570	37	55.30	A
					Subtotal for calling card calls		\$204.80	

T= Tax rate applied: A=9.00%;B=3.00%

Federal tax.....	+6.10
NJ Sales tax.....	+9.95

Total ZERO PLUS DIALING toll charges **\$220.85**

Total for ZERO PLUS DIALING charges **\$220.85**

If you have a question please call 1 800-456-7587.

To the Federal Communications Commission
Bell Telephone Enforcement Division

7/19/94

RECEIVED JUL 21 1994

I am writing to describe a recent situation and to ask for an investigation and intervention into this matter.

I live in New Jersey. My husband is currently attending school for four months in Florida. He does not have a phone, so he has been contacting me utilizing a pay phone and a calling card.

I received the first phone bill since he has been the Opticom provider of long distance service from the pay phone where he lives. Over a month's time, 19 phone calls make for a total of 92 minutes. The Opticom portion of the bill is \$200.85.

I contacted Opticom and the Customer Service representative, Tammy, told me the rates were filed with the FTC and that she would file a complaint with the investigation department which would take 15-30 days for a response. That contact was made at the end of June. I have not heard from her to date.

I am puzzled as to how they are able to charge as much as ten times more than other long distance services such as AT&T, MCI or Sprint. My husband also calls from phones that utilized these other services and the rates were in line with what we normally pay through AT&T.

I am enclosing a copy of the Opticom portion of the bill. Our normal phone bills range between \$75-\$100 per month since most of our family lives out of state. I expected a larger phone bill due to my husband's current situation, but this blatant price gouging is

ZERO PLUS DIALING

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609 298-4660-866 0

ZERO PLUS DIALING charges

June 17, 1994

This portion of your bill is provided as a billing service for ZERO PLUS DIALING. ZERO PLUS DIALING is a billing agent for long distance service providers. Toll charges are computed based upon the rate schedule of the long distance toll service provider whose name is printed above the call or group of calls shown below in the toll detail section of the bill.

ZERO PLUS DIALING toll charges

No.	Date	Time	Call type	Place	Number	Minutes	Cost T
Calling card calls							
Opticcm, Division of One Call Communi							
1	May 15	8:56AM	Operator	To BORDENTOWN NJ	609-298-4660		
				Fr GAINESV FL	904-374-9570	6	13.00 A
2	May 17	3:04PM	Operator	To E GALLIE E FL	407-779-1426		
				Fr GAINESV FL	904-374-9570	2	1.55 B
					FL State Tax		.26
							Continued

ZERO PLUS DIALING

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609 298-4660-866 0

June 17, 1994

No.	Date	Time	Call type	Place	Number	Minutes	Cost T
1	May 18	8:09PM	Operator	To BORDENTOWN NJ	609-298-4660		
				Fr GAINESV FL	904-374-9570	3	9.75 A
2	May 18	8:11PM	Operator	To BORDENTOWN NJ	609-298-4660		
				Fr GAINESV FL	904-374-9570	3	9.75 A
3	May 18	9:26PM	Operator	To BORDENTOWN NJ	609-298-4660		
				Fr GAINESV FL	904-374-9570	9	16.25 A
4	May 21	9:16AM	Operator	To QUINCY MA	617-328-6268		
				Fr GAINESV FL	904-374-9570	3	9.84 B
5	May 21	9:17AM	Operator	To BORDENTOWN NJ	609-298-4660		
				Fr GAINESV FL	904-374-9570	6	13.00 A
6	May 21	11:37AM	Operator	To HADDONFLD NJ	609-772-9567		
				Fr GAINESV FL	904-374-9570	3	9.75 A
7	May 24	7:58PM	Operator	To BORDENTOWN NJ	609-298-4660		
				Fr GAINESV FL	904-374-9570	3	9.75 A
8	May 24	8:00PM	Operator	To QUINCY MA	617-328-6268		
				Fr GAINESV FL	904-374-9570	3	9.84 B
							Continued

unsettling.

If it is acceptable for them to charge these outrageous prices, then they should be expected to put their name on any phone that they bill from so an unsuspecting person can make an informed decision. It appears this situation needs reviewing.

Please let me know if your office can intervene. I can be reached by telephone at (609) 292-4470 (day) or (609) 298-4660 (eve) or in writing to:

Kimberly K. Friend
349 Willow St
Bordentown, NJ 08505

Thank you.

Sincerely

Bill Bradley

C: Bill Bradley
Frank Lautenberg
Opticom